<u>REMARKS</u>

The Final Office Action notes that claims 1-18 and 22-29 are pending in the referenced application and that claims 1-18 and 22-29 are rejected. In view of the following discussion, the Applicants submit that none of the claims now pending in the application is obvious under the provisions of 35 U.S.C. § 103. Thus, the Applicants believe that all of these claims are now in allowable form.

I. RESPONSE TO EXAMINER'S ARGUMENTS

Applicants will address each item in the Response to Arguments section of the Final Office Action dated May 5, 2004, below.

Item 1

Regarding section 2, Applicants respectfully disagree with Examiner's assertion that Applicants' invention is the "mere combination of protection layers." Applicants' invention is directed to a method and apparatus for securing an information stream by dividing that stream into a collection of segments that are then individually compressed using prediction based compression, rearranged in order in accord with an index, and then the rearranged compressed segments are encrypted along with the index. Thus, Applicants submit that the method and apparatus used to secure the information stream is <u>not</u> an obvious implementation of a combination of protection layers.

Item 2

Regarding section 3, Applicants respectfully disagree with the Examiner's assertion that Applicants attacked each reference individually. On the contrary, Applicants pointed out the weaknesses of each reference and illustrated the lack of motivation to combine the references with each other to arrive at the present invention. For example, Tseng teaches segmenting and compressing signals, however, the techniques disclosed in Kupnicki and Inoue fail to disclose the use of compression. Kupnicki teaches scrambling of "lines" (see col. 4, lines 15-41) of a video image and not segments of a digital stream that represents a sequence of image frames. In now way, could the teachings of Kupnicki be used to scramble digital data streams. Inoue merely

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teaches encoding of satellite television signals without any mention of compression, segmenting of a digital stream, rearranging of the compressed segments, indexing or encryption of rearranged segments and the arrangement index. Thus, there is no motivation to combine Kupnicki and Inoue with Tseng. Also, it is important to note that none of the references disclose the use of an index in accordance with Applicants' claims.

Item 3

With respect to Examiner's assertion in section 4 that "any judgment on obviousness is in a sense necessarily a reconstruction based upon hindsight reasoning," Applicants respectfully disagree. "A rejection based on section 103 clearly must rest on a factual basis, and these facts must be interpreted without hindsight reconstruction of the invention from the prior art. In making this evaluation, all facts must be considered. The Patent Office has the initial duty of supplying the factual basis for its rejection. It may not, because it may doubt that the invention is patentable, resort to speculation, unfounded assumptions or hindsight reconstruction to supply deficiencies in its factual basis." In re Rice, 481 F.2d 1316, 1318; 178 U.S.P.Q. (BNA) 478 (1973) Examiner is not permitted to use hindsight reasoning to add elements to a particular prior art reference in order to bolster the Examiner's position that Applicants' claimed invention is unpatentable where there is no teaching or suggestion to add those elements in the prior art reference. Thus, Examiner's use of hindsight reasoning to reject Applicants' claims over Tseng in view of Kupnicki and Inoue is improper.

Item 4

Regarding section 5, Applicants respectfully disagree with the Examiner's assertion that there is some teaching, suggestion, or motivation to combine Tseng with Kupnicki and Inoue. As stated in Item 2, Tseng teaches segmenting and compressing signals while the techniques disclosed in Kupnicki and Inoue fail to disclose the use of compression, segmenting of a digital stream, compressing the individual segments, rearranging the compressed segments, indexing, or encrypting the rearranged compressed segments along with the index. Thus there is no motivation to combine Kupnicki and Inoue with Tseng and, even if combined, would not teach rearranging the

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segments of a digital stream because Kupnicki, which is relied on for its teaching of scrambling, does not teach digital stream segment scrambling. Also, as stated in Item 2, it is important to note that none of the references disclose the use of an index in accordance with Applicants' claims.

Item 5

Regarding section 6, Applicants respectfully disagree that the Examiner considered the claims as a whole. Applicants submit that the Examiner did not consider the claims as a whole but instead used references for which there was no motivation to combine to separately attack specific elements of the claims.

<u>ltem 6</u>

Regarding section 7, the Examiner admitted that Kupnicki and Inoue <u>do not teach</u> compression. Kupnicki and Inoue are devoid of any teaching of compression. Thus the techniques described in Kupnicki and Inoue <u>cannot</u> be combined with a reference that teaches compression to render Applicants' claims obvious. Furthermore, even if combined, Kupnicki teaches scrambling of lines within a video frame, not scrambling of segments of a digital stream. As such, the combination of references would lack the teaching of digital stream segment rearranging. Therefore, any combination of these references will not teach the invention.

Item 7

Regarding section 8. Applicants respectfully disagree with the Examiner's assertion of the validity of the rejection of Applicants' dependent claims. Applicants' respectfully submit that independent claims are patentable and the dependent claims are patentable at least for depending from their respective base claims.

Item 8

Regarding section 9, Applicants respectfully submit that Applicants argued correctly that Oshima (US 6,266,299) does <u>not</u> discuss "sending that key, encrypting that key, or decrypting that key" because it is assumed that a user has a corresponding key in the Oshima reference, i.e., there is no need to encrypt the key for transmission in Oshima. Thus since claims 15 and 23 recover an index and Oshima recovers <u>neither</u>

an index <u>nor</u> a key. Oshima necessarily does <u>not</u> teach the index feature of Applicants' claims.

<u>Item 9</u>

With respect to the Examiner's assertion in section 10, Applicants respectfully disagree. With respect to claim 23, Applicants reiterate that the key of Oshima (US 6,266,299) is used <u>for</u> decryption while the index of the Applicants' claims is used <u>after</u> decryption.

II. REJECTION OF CLAIMS 14 and 17-32 UNDER 35 U.S.C. § 103

Claims 1, 2, 10-13, 15, and 23-25 stand rejected as being unpatentable over Tseng et al. (5,625,416) in view of Kupnicki et al. (US 4,742,544) and Inoue (US 5,195,134). Claims 3, 6, 16, and 26 stand rejected as being unpatentable over Tseng et al. (5,625,416) in view of Kupnicki et al. (US 4,742,544) and Inoue (US 5,195,134). Claims 4, 5, 17, 27, and 28 stand rejected as being unpatentable over Tseng et al. (5,625,416) in view of Kupnicki et al. (US 4,742,544) and Inoue (US 5,195,134). Claims 7, 8, and 29 stand rejected as being unpatentable over Tseng et al. (5,625,416) in view of Kupnicki et al. (US 4,742,544) and Inoue (US 5,195,134). Claim 9 stands rejected as being unpatentable over Tseng et al. (5,625,416) in view of Kupnicki et al. (US 4,742,544) and Inoue (US 5,195,134). Claim 14 stands rejected as being unpatentable over Tseng et al. (5,625,416) in view of Kupnicki et al. (US 4,742,544) and Inoue (US 5,195,134). Claims 18 and 22 stand rejected as being unpatentable over Tseng et al. (5,625,416) in view of Kupnicki et al. (US 4,742,544) and Inoue (US 5,195,134). Claims 15 and 23 stand rejected as being unpatentable over Oshima et al. (WO98/27553, or US 6,266,299) in view of the Microsoft Press Computer Dictionary and in view of Inoue (US 5,195,134). Claim 16 stands rejected as being unpatentable over Oshima et al. (WO98/27553, or US 6,266,299) in view of the Microsoft Press Computer Dictionary and in view of Inoue (US 5,195,134). Claim 17 stands rejected as being unpatentable over Oshima et al. (WO98/27553, or US 6,266,299) in view of the Microsoft Press Computer Dictionary and Inoue (US 5,195,134). Claims 18 and 22 stand rejected as being unpatentable over Oshima et al. (WO98/27553, or US 6,266,299) in view of the Page 11

Microsoft Press Computer Dictionary and Inoue (US 5,195,134). The Applicants respectfully disagree.

The arguments presented above and in Applicants' February 23, 2004 response with respect to the rejection under 35 U.S.C. §103 by the Examiner are hereby incorporated by reference. In summary, the Examiner relies on the teaching of Kupnicki for teaching scrambling of a television signal, however, Kupnicki teaches scrambling the lines of a video frame <u>not</u> scrambling the compressed segments of a digital stream that contains information from a sequence of frames. None of the references teach resequencing a sequence of compressed segments and relating the resequencing to an index. As such, any combination of the cited references will lack this teaching. Therefore, claims 1-18 and 22-29 are patentable over the cited references.

CONCLUSION

Thus, the Applicants submit that all of these claims now fully satisfy the requirements of 35 U.S.C. §103. Consequently, the Applicants believe that all these claims are presently in condition for allowance. Accordingly, both reconsideration of this application and its swift passage to issue are earnestly solicited.

If, however, the Examiner believes that there are any unresolved issues requiring the issuance of a final action in any of the claims now pending in the application, it is requested that the Examiner telephone Mr. Thomas Bethea, Jr., Esq. at (732) 530-9404 so that appropriate arrangements can be made for resolving such issues as expeditiously as possible.

Raymond R. Moser Jr., Attorney

Reg. No. 34,682 (732) 530-9404

Moser, Patterson & Sheridan, LLP

595 Shrewsbury Avenue

respectfully submitted,

Shrewsbury, New Jersey 07702